

EXHIBIT 1

Email from D. Karst to M. Van
dated Oct. 31, 2019

Karst, Danielle

From: Karst, Danielle
Sent: Thursday, October 31, 2019 2:47 PM
To: Michael Van (Michael@shumwayvan.com)
Cc: Mulreany, Timothy J.
Subject: CFTC v. Saffron, 2:19-cv-1697-JAD-DJA (D. Nev. 2019)
Attachments: ECF 9.pdf; ECF 15.pdf

Good afternoon Mr. Van:

I'm sending this email as a follow-up to this week's October 29, 2019 hearing.

First, your client Circle Society's Answer is past due. Circle Society was served with the Summons, Complaint, and all other documents via email on October 7, 2019 (ECF No. 14). Therefore, the 21-day period to answer or move against the Complaint expired on October 28, 2019, pursuant to Fed. R. Civ. P. 12(a)(1)(A)(i). If there is no Answer filed by Monday, November 4, 2019, at 5 pm EST, the CFTC intends to file a motion for Clerk's Entry of Default against Circle Society pursuant to Fed. R. Civ. P. 55(a).

Second, the CFTC has previously provided you with two Temporary Restraining Orders issued by Judge Dorsey in this matter (We emailed you copies on Oct. 4 and Oct. 16, 2019; I'm re-attaching the Orders again here as a courtesy). As you are aware, these Orders freeze the assets of David Saffron and Circle Society ("Defendants"), as well as require the immediate production of Defendants' books and records. As you are aware, the Court extended the Temporary Restraining Orders until December 2, 2019 at 6 pm PST.

As the CFTC demanded in Court, please produce all books and records in your possession related to the Defendants' business activities and personal finances to the CFTC's Headquarters in Washington, D.C. To the extent that you possess records, but decline to produce them pursuant to a claimed privilege, we ask that you immediately produce a privilege log identifying each document and the claimed privilege. The CFTC will provide you with an extension for the production of all books and records until Monday, November 4, 2019, at 5 pm EST.

Finally, this email also confirms that the CFTC has advised you that you would be in violation of the ongoing asset freeze if you were to accept any funds or other assets (including cryptocurrency) from Mr. Saffron as a retainer. As I stated on the record at this week's Hearing, the CFTC is concerned that the fees used to retain your services may have been transferred in violation of the two Temporary Restraining Orders. Please note that it is the CFTC's position that your acceptance of funds or other assets from third parties – who are acting as pass-through entities or "strawmen" on behalf of one or more Defendants – would also violate the Court's orders. Please provide the CFTC with documentation demonstrating the source of your fees and the identity of the third party who authorized you to represent the corporate entity so that we may avoid having to bring this issue to the Court's attention at a later date. The CFTC will provide you with an extension for the production of this information and documentation until Monday, November 4, 2019, at 5 pm EST.

Thanks in advance for your attention to this matter.

Best regards,
Danielle

Danielle Karst